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C O N F I D E N T I A L SECTION 01 OF 02 BEIJING 003303

#### SIPDIS

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TAGS: PREL PGOV PHUM CH
SUBJECT: PRC FOREIGN POLICY EXPERTS' SNAP JUDGMENTS ON IMPACT OF THE OLYMPICS

Classified By: Political Minister Counselor Aubrey Carlson. Reasons 1. 4 (b) and (d).

#### Summary

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11. (C) In the aftermath of the Olympics there will be no great changes to China's traditional foreign policy emphasis on consensus and non-intervention, Chinese foreign policy experts stressed in recent meetings with PolOffs. Nonetheless, the coming months may be rocky because China and foreign nations have been postponing action on difficult issues until after conclusion of the Olympics. China specifically fears that the United States plans to announce a major U.S. weapons sale to Taiwan. Experts differ on whether the Olympics have led to greater Chinese openness. However, they agree that the Chinese Government, now expecting more respect and with no need to "create a good atmosphere" for the Games, may be marginally less flexible and more assertive on international issues. Some experts worried that the success of the Games may lead to unrealistic Chinese public expectatons of the ChineseGovernment's influence over international issues and that, similarly, Westrn nations may expect too much from China on global issues like climate change. Contacts were unanimous that President Bush's unwavering commitment to attend the Olympics was a great boost to U.S.-China relations. End Summary.

#### Continuity

12. (C) The August 24 Olympics closing ceremony capped a seven-year national effort to make the Games a success. The implications of the Olympics for China's position in the world and China's foreign policy may only become evident in longer hindsight, but the quick verdict of several Beijing scholars is that Chinese foreign policy and self-perception of China's global role will remain largely unchanged in the short and medium term. Professor Su Hao of China Foreign Affairs University (CFAU) told PolOff August 26 that China "will not change the direction of its foreign policy because of the Games" and will continue to stress consensus and non-intervention. Professor Niu Xinchun of the Ministry of State Security-affiliated Chinese Institutes of Contemporary International Relations (CICIR) concurred August 25, noting that China's pragmatic policy stance is driven by "hard interests rather than feelings about the Games."

## Rocky Period Ahead?

¶3. (C) Though our foreign policy observer contacts generally regarded the Olympics as a great success that boosted China's international prestige, they warned that the immediate post-Olympics period could be rocky. CICIR's Niu said that the Chinese Foreign Ministry has been postponing or delaying difficult issues until after the conclusion of the Olympics. (Note: When asked, MFA officials have in recent months often denied any special efforts to avoid unpleasant issues during the run-up to the Olympics. However, MFA officials have on

several occasions made clear that the Chinese Government did not want issues to "spoil the atmosphere" of the Olympics. For example, MFA contacts loudly bemoaned in private the timing of Russia's military action in Georgia and on multiple occasions warned against action on arms sales to Taiwan, in part to avoid threatening the "joyous" atmosphere surrounding the Games.) Similarly, Niu said, foreign nations have been postponing "bad news" until after the Olympics. These difficult issues now might vex the immediate post-Olympics period. Su and Niu both specifically alluded to China's ongoing anxiety over the possibility of a major U.S. weapons sale to Taiwan in the aftermath of the Olympics.

### A Boost for Openness?

14. (C) Several observers said the Olympics would be a boost for China's openness. Senior U.S. watcher at the Chinese Academy of Social Sciences (CASS) Tao Wenzhao told PolOff August 25 that the experience of the Olympics made Chinese citizens "less nationalistic and more global," which Tao characterized as a "maturing of the Chinese character." Professor Su of CFAU agreed, saying that the experience of holding the Games "improved the Chinese mindset" and "internationalized the public's outlook." Su said the Government's decision to restrict visas during the period of the Olympics, while perhaps understandable from a security viewpoint, sparked an internal government debate. Many officials argued that it would be better to let as many foreigners as possible come and see China for themselves. The poorer-than-expected hotel and entertainment business during the Games reinforced this sentiment.

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15. (C) Not all contacts were so sanguine about the Olympics having promoted openness in China, however. For example, Professor Dong Lisheng (protect) of CASS' Institute of European Studies on August 14 told PolOff that restrictions on the Chinese media and on activists increased considerably in the run-up to and during the Games, and he predicted this trend will continue in the near term. The "stunning success" of the Games -- and the Chinese people's "nationalistic" support for them, which was fueled in part by the backlash against foreign criticism over Tibet during the global Olympic torch run -- are likely only to reinforce the Party's current policy line of continued economic reform coupled with political control, Dong asserted.

# Possibly a Harder Edge

16. (C) Several observers predicted that although the general direction of Chinese policy will remain unchanged, China may now be marginally less flexible and more assertive on international issues. CFAU's Su said that the success of the Games will lead China to expect the international community to "give greater respect and weight to China's opinions." CICIR's Niu agreed and predicted that the MFA, without the need to create a propitious environment for the Olympics, will be less willing to make concessions on or devote special efforts to international problems (e.g., Darfur). Su did not agree that in the post-Olympics period China will necessarily be less engaged on problems like Darfur. "With the Olympics over, the Chinese Government will have more time and resources to devote to international issues," he said, and this period is also an "opportunity for creative cooperation."

## Danger of "Over-Confidence"

17. (C) CICIR's Niu said the most acute concern of many Chinese foreign policy experts is that the success of the Games will create Chinese "over-confidence." The danger of this "over-confidence" cuts two ways, Niu said. On the one hand, the Chinese public may develop unrealistic expectations

regarding China's influence and power on international issues. In reality, Niu said, China remains a relatively poor nation with a limited military and diplomatic capability relative to the developed world. Similarly, the success of the Games could lead to unrealistic expectations among Western countries about China's ability to contribute to the solution of global problems like climate change. Again, China as a relatively undeveloped country must concentrate on its own development. Su went further, saying that the great success of the Games could lead to the revival of Western anxiety over a supposed "China Threat."

#### U.S. Comes Out Ahead

18. (C) All of our contacts agreed that the Olympics proved to be a great benefit to U.S.-China ties. CASS U.S. expert Tao said that the Chinese people were grateful to President Bush for his unwavering commitment to attending the Games. U.S. statements on human rights and other sensitive issues were understandable and caused no rancor, he added. Huang Shan (protect), Deputy International Editor at the independent magazine Caijing, separately agreed, telling PolOff on August 21 that President Bush's visit was "highly successful" and that Chinese people give the President a "great deal of credit" for having calibrated U.S. policy on China "just right." Even though President Bush spoke frankly about human rights and other sensitive issues both before and during his trip to China, he did not use such issues as an "excuse" to "disgrace" the PRC leadership, nor has the President allied himself with "hardliners" against China. This is the "smart" way to "press" Chinese leaders on these issues. The result, Huang concluded, is a strengthening of the bilateral relationship and continued openness of China's market to U.S. goods. Huang even asserted that President Bush's "correct" stance is one factor behind China's continuing on the path of reform and opening. CFAU's Su contrasted China's warm feeling toward the United States with Sino-European relations, which still "required some mending." European protests during the torch run and threats not to attend the opening ceremony created enduring bad feeling, he said. RANDT